



Appropriations Committee
December 9, 2009
Testimony of the American Cancer Society

**Opposition to November 24 Deficit Mitigation Proposed
\$5 Million Tobacco & Health Trust Fund Sweep**

The American Cancer Society OPPOSES any further transfers of money from the Tobacco and Health Trust Fund (THTF) into the General Fund. We would STRONGLY SUPPORT, however utilizing the \$5 million in THTF dollars in a more fiscally effective manner by providing for Medicaid coverage of smoking cessation services.

Smoking related diseases are the single most preventable cause of death in our society and it is estimated that 4,900 Connecticut residents will die from smoking related illnesses in 2009 alone. Currently, 15.5% of adults in Connecticut and 21% of high school aged kids smoke, spending on average \$1825 per year on the habit. Connecticut incurs \$1.63 billion in annual health care costs and another \$1 billion in lost productivity directly caused by tobacco.

Connecticut receives over \$500 million annually between the MSA funds and tobacco tax revenue, including an annual \$12 million deposit in the Tobacco and Health Trust Fund. Over the years, however, less than 2% of the cumulative total has been spent in support of smoking cessation services. In 2008 Connecticut spent \$0 dollars and was ranked last, 51 out of 50 states and Washington D.C. in allocating funds to tobacco cessation programs. While the state did not spend any money, the annual health care costs associated with tobacco use continued to increase.

70% of Connecticut's smokers indicate they want to quit while 40% attempt to quit each year, however only about 5% are successful. Many fail because, in part, of a lack of access to successful cessation programs. Funding prevention programs that alleviate this burden on our citizens and economy is not only consistent with our shared goal of insuring access to care to those in need, it is also the only fiscally responsible approach we can take.

From a cost perspective, the need is critical. According to the Centers for Disease Control and Prevention, tobacco use costs Medicaid in Connecticut \$430 million per year, or \$161 per person.

30% of Connecticut Medicaid beneficiaries smoke, almost a 50% higher rate than the population as a whole. Yet, Connecticut is one of only 5 states that does not provide Medicaid coverage for at least one of the three primary smoking cessation services—nicotine replacement therapies, counseling or prescription drugs. Providing tobacco users with access to these services increases quit rates by up to 40%. Tobacco prevention and cessation programs are shown over and over to be effective ways of reducing the financial and human costs of tobacco. In fact, these services, ranked among the top two preventative health services in a systematic assessment of 30 services.

Medicaid cessation is a proven success. For example, Massachusetts offers a Medicaid cessation benefit that includes low cost medication and counseling services. The program cost about \$12 million, and according to a recent pilot study of the benefit, 40% of smokers in Medicaid took advantage of the services (75,000 people). 33,000 smokers quit over the two-year study period, leading to a 26% decline in smoking prevalence. An analysis of the expected cost savings from promoting cessation before smoking-related disease develops or becomes more severe is forthcoming, but given the overwhelming use of the services as well as the substantial quit rate, the savings are considerable—more so than the cost of providing the service itself.

For as little as \$200 per smoker over their lifetime, Medicaid beneficiaries could have access to proven cessation services that will help them quit successfully. If that number seems like a lot, let me put it into perspective: this year, the burden from smoking related expenditures in Connecticut, regardless of whether you smoke or not—is \$682 per household.

Dedicating funding to Medicaid coverage of cessation services would allow for the state to take advantage of federal matching funds, reach a higher concentration of lower income smokers and ease the impact tobacco related illnesses have on the cost of the program.

The good news is that we always have a choice. The Master Settlement payments and tobacco taxes can still be used to support smoking cessation efforts in Connecticut. With a renewed and committed investment in aggressive tobacco control, we can reverse the damage already done, and impact the health and lives of the people of Connecticut.

As these deficit and budget revision negotiations continue, the American Cancer Society stands ready and willing to work with members of the Appropriations Committee and other members of the Legislature and the Administration to effectively establish coherent strategy which adequately addresses these and other health care related concerns. Cutting or transferring these funds now will only temporarily solve a very small portion of the current deficit while doing nothing to address an entirely preventable problem. This in turn will only escalate the current economic downturn and result in a greater number of lives being affected by cancer at a greater cost to the state.

We respectfully request your opposition to the fund sweep of the Tobacco and Health Trust Fund and instead support utilizing those funds for Medicaid coverage of smoking cessation services.

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